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FINANCING OF THE UNITED NATIONS OBSERVER MISSION IN EL SALVADOR

Report of the Advisory Committee on Administrative and Budgetary Questions

Addendum

I. INTRODUCTION

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the financing of the United Nations Observer Mission in El Salvador (ONUSAL) (A/49/518/Add.1). The report includes the financial performance report of ONUSAL for the period from 1 June to 30 November 1994 and cost estimates for the operation of the Observer Mission for the period from 1 December 1994 to 30 April 1995. During its consideration of this item, the Advisory Committee met with representatives of the Secretary-General, who provided additional information.

2. As summarized in paragraphs 1 to 12 of the Secretary-General's report, ONUSAL was established by the Security Council by its resolution 693 (1991) of 20 May 1991 to monitor all agreements concluded between the Government of El Salvador and the Frente Farabundo Martí para la Liberación Nacional (FMLN), beginning on 1 July 1991. As approved by the Security Council in its resolutions 729 (1992) of 14 January 1992, 784 (1992) of 30 October 1992, 791 (1992) of 30 November 1992, 832 (1993) of 27 May 1993, 888 (1993) of 30 November 1993 and 920 (1994) of 26 May 1994, the expanded political mandate of ONUSAL included the verification and monitoring of those aspects of the agreements relating to the cease-fire, the demobilization of FMLN forces and their integration into civilian life, the reduction and reform of government armed forces, the creation of a new civilian police force, constitutional, economic and social reforms and respect for human rights, as well as the monitoring and observation of the presidential, legislative and municipal elections.

3. On the basis of the Secretary-General's recommendation in his report of 31 October 1994 (S/1994/1212), the Security Council, in its resolution 961 (1994) of 23 November 1994, extended the mandate of ONUSAL for one final period from 1 December 1994 to 30 April 1995. Taking into account the Secretary-General's report of 24 March 1995 (S/1995/220), the Council affirmed in its resolution 991 (1995) of 28 April 1995 that the mandate of ONUSAL was terminated as of 30 April 1995.

4. The Advisory Committee notes from paragraph 67 of document S/1995/220 that after the closure of ONUSAL, the Secretary-General retained in El Salvador a small team of United Nations civilian personnel to deal with "outstanding claims, invoices, boards of inquiry, etc., and to handle the final disposal of property and equipment". The Advisory Committee also notes from paragraphs 24 and 42 (d) of document A/49/518/Add.1 that the provision for the team of 8 international staff (1 D-1, 1 P-2, 4 Field Service and 2 General Service) and 16 local staff to deal with the liquidation of ONUSAL has been requested for appropriation and assessment in the amount of $113,300 gross ($95,400 net) for the period from 1 to 31 May 1995.

5. Upon inquiry, the Advisory Committee was informed that the team proposed by the Secretary-General to deal with the liquidation of ONUSAL mentioned above is distinct from the one proposed by the Secretary-General to the Security Council in his letter dated 6 February 1995 (S/1995/143) and in his report of 24 March 1995. The mechanism proposed by the Secretary-General upon the withdrawal of ONUSAL "will consist of a small team of professionals, with support staff, to verify compliance with pending aspects of the peace accords and provide good offices" (S/1995/220, para. 82). The team will report to the Secretary-General, who will keep the Council informed as necessary. The arrangement proposed by the Secretary-General to the Council was accepted by the Council, as indicated in the letter dated 17 February 1995 from the President of the Council to the Secretary-General (S/1995/144). The Advisory Committee notes from the letter dated 18 May 1995 from the Secretary-General to the President of the Council that the small team will be known as the United Nations Mission in El Salvador (MINUSAL). The Advisory Committee recommends that the Secretary-General make proposals to the General Assembly on the financing of MINUSAL.

II. STATUS OF ASSESSED CONTRIBUTIONS

6. As indicated in paragraph 16 and annex XI to document A/49/518/Add.1, as at 1 March 1995, total resources appropriated and authorized for the United Nations Observer Group in Central America (ONUCA) and ONUSAL amount to $237,665,500. These include $221,690,000 appropriated for ONUCA and ONUSAL for the period from 1 November 1989 to 31 May 1994, and $15,974,600 authorized for ONUSAL for the period from 1 June 1994 to 31 March 1995. As decided by the General Assembly in its resolution 46/240 of 22 May 1992, the special accounts for the ONUCA and ONUSAL operations were merged.

7. The Advisory Committee notes from paragraphs 7 and 8 and annex XI B to document A/49/518/Add.1 that authorizations of $15,974,600 comprise $11,974,600 authorized under the terms of General Assembly resolution 48/243 of 5 April 1994 and decision 49/405 of 14 October 1994 for the period from 1 June 1994 to

30 November 1994, and $4 million authorized by the Advisory Committee in a letter dated 6 December 1994 to the Secretary-General, pursuant to the terms of General Assembly resolution 48/229 of 23 December 1993 on unforeseen and extraordinary expenses, for the period of four months from 1 December 1994 to 31 March 1995.

8. As indicated in paragraph 16 of document A/49/518/Add.1, as at 1 March 1995, payments received for the special account for ONUSAL, including those for ONUCA, amount to $165,896,134 ($84,295,212 for ONUCA and $81,600,922 for ONUSAL), against the net amount apportioned among Member States of $189,546,731 (net of staff assessment income of $32,144,169). Total outstanding assessments of $23,650,597 are due from Member States for ONUCA ($10,666,652) and for ONUSAL ($12,983,945). The Advisory Committee was informed that to provide ONUSAL with the necessary cash, as at 24 May 1995, a total of $10.5 million had been borrowed from other peace-keeping special accounts ($6 million from the Peace-keeping Reserve Fund and $4.5 million from the United Nations Iran-Iraq Military Observer Group (UNIIMOG)). Recalling its observations on the subject, as indicated in paragraph 4 of its report of 30 September 1994 (A/49/458), the Advisory Committee notes with concern that these loans remain unpaid, even as the operation is being liquidated.

9. The Advisory Committee notes from annex XI C to document A/49/518/Add.1 that, as at 31 March 1995, net operating costs of ONUCA and ONUSAL amount to $192,346,162 against total income of $172,234,537, resulting in an estimated operating deficit of $20,111,625. Upon request, the Advisory Committee was informed that the total unliquidated obligations of ONUSAL for the period of the inception of the Observer Mission to 31 March 1995 amount to $2,966,000.

10. With regard to disposition of assets upon completion of ONUSAL, the Advisory Committee notes from paragraph 20 of document A/49/518/Add.1 that the equipment and other property of ONUSAL will be disposed of in accordance with the endorsement given by the General Assembly in its resolution 49/233 of 23 December 1994. Upon request, the Advisory Committee was informed that a full report on the disposal of ONUSAL assets was expected to be submitted to the Advisory Committee and to the General Assembly at end of May 1995.

III. FINANCIAL PERFORMANCE REPORT FOR THE PERIOD FROM 1 DECEMBER 1993 TO 31 MAY 1994

11. As indicated in annex I to document A/49/518, total expenditure for ONUSAL amounted to $18,986,800 gross ($17,138,100 net) for the period from 1 December 1993 to 31 May 1994. This reflects an unencumbered balance of $542,100 gross ($534,500 net) for the period, compared with apportionment of $19,527,000 gross ($17,672,700 net). The Secretary-General proposes in paragraph 42 (b) of document A/49/518/Add.1 to set off against the assessment on Member States their respective shares in the unencumbered balance of $542,100 gross ($534,500 net) for the period from 1 December 1993 to 31 May 1994. The Advisory Committee recommends acceptance of the Secretary-General's proposal.

IV. FINANCIAL PERFORMANCE REPORT FOR THE PERIOD FROM 1 JUNE TO 30 NOVEMBER 1994

12. As indicated in annex I to document A/49/518/Add.1, total expenditures for ONUSAL amounted to $11,704,200 gross ($10,397,300 net) for the period from 1 June to 30 November 1994. This reflects an unencumbered balance of $270,400 gross ($338,900 net) for the period, compared with total authorization for the period of $11,974,600 gross ($10,736,200 net). The Secretary-General proposes, in paragraph 42 (a) of the same document the appropriation and assessment by the General Assembly of the total amount of $11,704,200 gross ($10,397,300 net) spent for the operations of ONUSAL for the period from 1 June to 30 November 1994. The Advisory Committee recommends acceptance of the Secretary-General's proposal.

V. COST ESTIMATES FOR THE PERIOD FROM 1 DECEMBER 1994 TO 30 APRIL 1995

13. As indicated in annex V to document A/49/518/Add.1, total requirements for the period from 1 December 1994 to 30 April 1995 amount to $5,215,600 gross ($4,613,900 net). The Advisory Committee notes that in paragraph 42 (c) of the same document, the Secretary-General proposes the appropriation and assessment of these amounts. Upon request the Advisory Committee was informed that, as at 31 March 1995, estimated expenditures for the current mandate period from 1 December 1994 to 30 April 1995 amount to approximately $3,812,600, including unliquidated obligations of $536,300.

14. The Advisory Committee notes with appreciation that the Secretary-General's report (A/49/518/Add.1) includes in section XI comprehensive observations and comments on previous recommendations of the Advisory Committee. The Advisory Committee also notes that the document is well structured and contains much of the information needed by the Advisory Committee for its review.

15. With regard to the actions to be taken by the General Assembly at its forty-ninth session in connection with the financing of ONUSAL, as mentioned above in paragraphs 4, 11, 12 and 13, the Advisory Committee recommends, taking into account the status of expenditures, that the General Assembly approve the Secretary-General's requests for the following:

(a) The appropriation of $11,704,200 gross ($10,397,300 net) for the operation of ONUSAL for the period from 1 June to 30 November 1994, inclusive of the amount of $3,895,900 gross ($3,612,300 net) authorized by the Assembly in its resolution 48/243, the amount of $5,643,700 gross ($5,040,800 net) authorized in Assembly decision 49/405 and the reduced amount of $2,164,600 gross ($1,744,200 net) authorized by the Advisory Committee under the terms of Assembly resolution 48/229 on unforeseen and extraordinary expenses for the biennium 1994-1995;

(b) The appropriation of $3,812,600 gross ($3,225,100 net) for the operation of ONUSAL the period from 1 December 1994 to 30 April 1995;

(c) The appropriation of $113,300 gross ($95,400 net) for the liquidation of ONUSAL for the period from 1 to 31 May 1995.

The Secretary-General has requested an assessment of $17,033,100 gross ($15,106,600 net); however, the Advisory Committee is of the view that the total amount to be assessed will depend on how the General Assembly will treat the amount of $10.5 million borrowed from other peace-keeping accounts (see para. 8 above).